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This is an advance proof copy of an IRS tax form. It is subject to change and OMB approval before it is officially released. You can check the scheduled release date on our web site (www.irs.gov).

If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Form	8846	Credit for Employer Social Security and Medicare Taxes Paid on Certain Employee Tips	OMB No. 1545-1414
Department of the Treasury Internal Revenue Service		▶ Attach to your tax return.	2004 Attachment Sequence No. 98
Name(s) shown on return			Identifying number

Note: Claim this credit **only** for social security and Medicare taxes paid by a food or beverage establishment where tipping is customary for providing food or beverages. See the instructions for line 1.

Part I **Current Year Credit**

1	Tips received by employees for services on which you paid or incurred employer social security and Medicare taxes during the tax year (see instructions)	1								
2	Tips not subject to the credit provisions (see instructions)	2								
3	Creditable tips. Subtract line 2 from line 1	3								
4	Multiply line 3 by 7.65% (.0765). If you had any tipped employees whose wages (including tips) exceeded \$87,900, see instructions and check here <input type="checkbox"/>	4								
5	Form 8846 credits from pass-through entities:									
	<table><tr><td>If you are a—</td><td>Then enter the Form 8846 credits from—</td></tr><tr><td>a Shareholder</td><td>Schedule K-1 (Form 1120S) box 13, code G, H, or P</td></tr><tr><td>b Partner</td><td>Schedule K-1 (Form 1065) box 15, code G, H, or P</td></tr></table>	If you are a—	Then enter the Form 8846 credits from—	a Shareholder	Schedule K-1 (Form 1120S) box 13, code G, H, or P	b Partner	Schedule K-1 (Form 1065) box 15, code G, H, or P	5		
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b Partner	Schedule K-1 (Form 1065) box 15, code G, H, or P									
6	Current year credit. Add lines 4 and 5	6								

Part II **Allowable Credit** (See **Who must file Form 3800** to find out if you complete Part II or file Form 3800.)

7	Regular tax before credits:			
	• Individuals. Enter the amount from Form 1040, line 43			
	• Corporations. Enter the amount from Form 1120, Schedule J, line 3; Form 1120-A, Part I, line 1; or the applicable line of your return			
	• Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return	7		
8	Alternative minimum tax:			
	• Individuals. Enter the amount from Form 6251, line 35			
	• Corporations. Enter the amount from Form 4626, line 14			
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56	8		
9	Add lines 7 and 8	9		
10a	Foreign tax credit	10a		
b	Credits from Form 1040, lines 46 through 49 and 51 through 53	10b		
c	Possessions tax credit (Form 5735, line 17 or 27)	10c		
d	Credit for fuel from a nonconventional source	10d		
e	Qualified electric vehicle credit (Form 8834, line 20)	10e		
f	Add lines 10a through 10e	10f		
11	Net income tax. Subtract line 10f from line 9. If zero, skip lines 12 through 15 and enter -0- on line 16	11		
12	Net regular tax. Subtract line 10f from line 7. If zero or less, enter -0-	12		
13	Enter 25% (.25) of the excess, if any, of line 12 over \$25,000 (see instructions)	13		
14	Tentative minimum tax (see instructions):			
	• Individuals. Enter the amount from Form 6251, line 33			
	• Corporations. Enter the amount from Form 4626, line 12			
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 54	14		
15	Enter the greater of line 13 or line 14	15		
16	Subtract line 15 from line 11. If zero or less, enter -0-	16		
17	Credit allowed for the current year. Enter the smaller of line 6 or line 16 here and on Form 1040, line 54; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2; Form 1041, Schedule G, line 2c; or the applicable line of your return. If line 16 is smaller than line 6, see instructions	17		